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Terrorism

4

10 April 1984
OLL 84-1297/1

STAT MEMORANDUM FOR: DD/Pers/SP
Attn:

STAT Office of General Counsel
Attn:

STAT FROM:
Legislation Division
Office of Legislative Liaison

SUBJECT: Enrolled Bill H.R. 4206 - Tax Exemption for Military and Civilian Employees who die as a Result of Military or Terrorist Activities Overseas

1. On 9 April 1984, I received an expedited request from the Office of Management and Budget (OMB) Enrolled Bill concerning H.R. 4206, a bill to provide federal tax exemption for military and civilian employees who die as a result of military or terrorist activities overseas. After telephonic coordination with STAT of the Liaison Division, Office of Legislative Liaison, STAT of the Office of Personnel, and STAT of the Office of General Counsel, I responded informally to OMB that the CIA supported H.R. 4206 and recommended Presidential approval. A copy of Enrolled Bill H.R. 4206 is attached for your reference.

2. Also attached for your concurrence is a draft of our formal response to OMB on H.R. 4206.

STAT

Attachments

cc: C/LEG/OLL
STAT Liaison

DISTRIBUTION:
1 - Each Addressee
1 - OLL Chrono
1 - LEG File: Terrorism
1 - ROD Signer
1 - D/OLL
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ROD:csh (10 April 1984)

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H. R. 4206

Ninety-eighth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the twenty-third day of January, one thousand nine hundred and eighty-four

An Act

To amend the Internal Revenue Code of 1954 to exempt from Federal income taxes certain military and civilian employees of the United States dying as a result of injuries sustained overseas.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCOME TAXES OF CERTAIN MILITARY AND CIVILIAN EMPLOYEES OF THE UNITED STATES DYING AS A RESULT OF INJURIES SUSTAINED OVERSEAS.

(a) GENERAL RULE.—Section 692 of the Internal Revenue Code of 1954 (relating to income taxes of members of the Armed Forces on death) is amended by adding at the end thereof the following new subsection:

"(c) CERTAIN MILITARY OR CIVILIAN EMPLOYEES OF THE UNITED STATES DYING AS A RESULT OF INJURIES SUSTAINED OVERSEAS.—

"(1) IN GENERAL.—In the case of any individual who dies while a military or civilian employee of the United States, if such death occurs as a result of wounds or injury incurred outside the United States in a terroristic or military action, any tax imposed by this subtitle shall not apply—

"(A) with respect to the taxable year in which falls the date of his death, and

"(B) with respect to any prior taxable year in the period beginning with the last taxable year ending before the taxable year in which the wounds or injury were incurred.

"(2) TERRORISTIC OR MILITARY ACTION.—For purposes of paragraph (1), the term 'terroristic or military action' means—

"(A) any terroristic activity directed against the United States or any of its allies, and

"(B) any military action involving the Armed Forces of the United States and resulting from violence or aggression against the United States or any of its allies (or threat thereof).

For purposes of the preceding sentence, the term 'military action' does not include training exercises.

"(3) TREATMENT OF MULTINATIONAL FORCES.—For purposes of paragraph (2), any multinational force in which the United States is participating shall be treated as an ally of the United States."

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(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply with respect to all taxable years (whether beginning before, on, or after the date of enactment of this Act) of individuals dying after December 31, 1979, as a result of wounds or injuries incurred after such date.

(2) STATUTE OF LIMITATIONS WAIVED.—Notwithstanding section 6511 of the Internal Revenue Code of 1954, the time for filing a claim for credit or refund of any overpayment of tax resulting from the amendment made by subsection (a) shall not expire before the date 1 year after the date of the enactment of this Act.

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.

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Central Intelligence Agency

Washington, D.C. 20505

The Honorable David A. Stockman
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Stockman:

This is in response to your request for the views of the Central Intelligence Agency on Enrolled Bill H.R. 4206, a bill to amend the Internal Revenue Code of 1954 to exempt from Federal income taxes certain military and civilian employees of the United States dying as a result of injuries sustained overseas.

I strongly support Presidential approval of this legislation. I believe it is only fitting to recognize the sacrifice of military and civilian employees who give up their lives in the service of their country by exempting them from federal income taxes.

I appreciate very much the opportunity to comment on this legislation.

Sincerely,

William J. Casey
Director of Central Intelligence

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